# EXHIBIT 3

## UNITED STATES DISTRICT COURT EASTERN DISTRICT OF TEXAS TYLER DIVISION

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SOVERAIN SOFTWARE LLC,

Plaintiff,

v

CDW CORPORATION, NEWEGG INC., REDCATS USA, INC., SYSTEMAX, INC., ZAPPOS.COM, INC., TIGER DIRECT, INC., THE SPORTSMAN'S GUIDE, INC., and REDCATS USA LP,

Defendants.

Civil Action No. 6:07-CV-511

Hon. Leonard E. Davis

## NEWEGG INC.'S. SECOND SUPPLEMENTAL INVALIDITY CONTENTIONS

Pursuant to Patent Rule 3-3, Defendant Newegg Inc. hereby serves Plaintiff Soverain Software LLC ("Plaintiff") with its Second Supplemental Invalidity Contentions for the claims of U.S. Patent Nos. 5,715,314 (the "'314 patent"), 5,909,492 (the "'492 patent") and 7,272,639 (the "'639 patent") (collectively, the "patents in suit") that Soverain has asserted in its Disclosure of Asserted Claims and Infringement Contentions. These Second Supplemental Invalidity Contentions are made necessary by the Plaintiff's amendment of its infringement contentions to extend to claims 78 and 79 of the '639 patent. These contentions are specifically directed to those claims. New matter appears on pages 97, 102-103, 107-108, and 111-114.

Additionally, to provide all of Defendant Newegg Inc.'s invalidity contentions in one document and to narrow the issues, a subset of the invalidity contentions based upon the requirements of 35 U.S.C. § 112 taken from "Defendants CDW Corporation, Newegg, Inc. and Zappos.com's Invalidity Contentions" filed on about August 20, 2008 has been appended at pages 115-122.

U.S. Patent No. 5,909,492		
Claim	Anticipated	Obvious
15	Anticipated by and Obvious in view of The CompuServe Information Service (CIS), when accessed with the CompuServe Information Manager (CIM) as explained in the Expert Report of Alexander B. Trevor and in his deposition.	Obvious in view of CompuServe (See, Bowen and Peyton, "How to Get the Most Out of CompuServe, 4th Ed." (Bantam Books, 1989), Ellsworth and Ellsworth, "Using CompuServe" (Que Corporation, March, 1994); Campbell, "CompuServe CIM Running Start," (Sybex, 1993) and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and Authentication) 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet" (Sams, April, 1994).  Obvious in view of PRODIGY and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and Authentication) 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet" (Sams,
		April, 1994).  Motivation to combine or modify: See, <i>Muniauction, Inc. v. Thomson Corporation</i> , 532 F.3d 1318 (Fed. Cir. 2008). ("[A]dapting existing electronic processes to incorporate modern internet and web browser technology" found not patentable.)
16	Anticipated by and Obvious in view of The CompuServe Information Service (CIS), when accessed with the CompuServe Information Manager (CIM) as explained in the Expert Report of Alexander B. Trevor and in his deposition	Obvious in view of CompuServe (See, Bowen and Peyton, "How to Get the Most Out of CompuServe, 4th Ed." (Bantam Books, 1989), Ellsworth and Ellsworth, "Using CompuServe" (Que Corporation, March, 1994); Campbell, "CompuServe CIM Running Start,"

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		(Sybex, 1993) and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and Authentication) 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet" (Sams, April, 1994).
		Obvious in view of PRODIGY and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and Authentication) 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet" (Sams, April, 1994).
		Motivation to combine or modify: See, <i>Muniauction, Inc. v. Thomson Corporation</i> , 532 F.3d 1318 (Fed. Cir. 2008). ("[A]dapting existing electronic processes to incorporate modern internet and web browser technology" found not patentable.)
17	Anticipated by CompuServe as disclosed in Bowen and Peyton, "How to Get the Most Out of CompuServe, 4th Ed." (Bantam Books, 1989), and Ellsworth and Ellsworth, "Using CompuServe" (Que Corporation, March 1994), and Campbell, "CompuServe CIM Running Start," (Sybex, 1993).	Obvious in view of PRODIGY and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and Authentication) 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet." (Sams, April, 1994).
	Anticipated by and Obvious in view of The CompuServe Information Service (CIS), when accessed with the CompuServe Information Manager (CIM) as explained in the Expert Report of Alexander B. Trevor and in his deposition.	Motivation to combine or modify: See, <i>Muniauction, Inc. v. Thomson Corporation</i> , 532 F.3d 1318 (Fed. Cir. 2008). ("[A]dapting existing electronic processes to incorporate modern internet and web browser technology" found not patentable.)

Identification of where each prior art reference discloses each claim element as required by P.R. 3-3(3)

Invalidity of the "Shopping Cart" claims of U.S. Patent No. 5,715,314 wherein "CompuServe" is the principal reference.

U.S. Patent No. 5,715,314		
34. A network-based sales system, comprising:	Anticipated by CompuServe, see, e.g., Bowen and Peyton, "How to Get the Most Out of CompuServe, 4th Ed." (Bantam Books, 1989); Ellsworth and Ellsworth, "Using CompuServe" (Que Corporation, March, 1994) and Campbell, "CompuServe CIM Running Start" (Sybex, 1993).	
at least one buyer computer for operation by a user desiring to buy products;	"Turn on your computer and run your communications program." (Bowen and Peyton, page 16.)	
	"WinCIM (another name for CompuServe Information Manager for Windows) is very sophisticated communications software custom designed for working with the CompuServe Information Service. WinCIM operates as a Windows application with the customary Windows appearance and operating methods." (Ellsworth, page 19.)	
at least one shopping cart computer; and	"Today CompuServe, Inc., still headquartered in Columbus, has broadened its scope from the days when it was recognized as a 'time-sharing' companyIt employs more than 900 people, and its computer center houses some 40 Digital Equipment Corporation minicomputers." (Bowen and Payton, page 4.)	
a shopping cart database connected to said shopping cart computer;	A shopping cart database is inherent as there is no other logical way to store customer's selections along with an identification of the customer.	
	"A database is any large collection of structured data stored in a computer system." Batini et al., infra.	
	"The Order command functions the same way	

# U.S. Patent No. 5,715,314

for each store, but merchants may vary in payment and delivery options....When you find a product that you want to buy, press O for order. Your order will be stored in a personal holding file until you leave that merchant's store." (Ellsworth, page 376.)

"Press R to continue browsing the store in which you just placed the order. You can place as many orders in the store as you want. When you are finished shopping in that store, type **checkout**. An electronic order form appears." (Ellsworth, page 376.)

said buyer computer and said shopping cart computer being interconnected by a computer network; "Currently, CompuServe can be accessed with a local telephone call in more than 500 cities, meaning that about 85 percent of the U.S. population can log on directly. Hundreds more can reach the service through carrier networks like Tymnet, Telenet, DataPac, and others." (Bowen and Peyton, page 4.)

"In some cities, however, there is no local access number. Does this mean you're out of luck and will be forced to pay for long distance? Not necessarily. You may be able to find a supplemental network for that city—such as SprintNet, Telenet, or Tymnet—so you can connect with savings over long distance charges. You may also want to find out how to gain access to a PDN—Public Data Network." (Ellsworth, Appendix C.)

said buyer computer being programmed to receive a plurality of requests from a user to add a plurality of respective products to a shopping cart in said shopping cart database, and, in response to said requests to add said products, to send a plurality of respective shopping cart messages to said shopping cart computer each of which comprises a product identifier identifying one of said plurality of products;

"A database is any large collection of structured data stored in a computer system." Batini et al., infra.

"If you want to order a product you have read about, simply enter O (that is, capital 'o', not a zero), and the system notes it." (Bowen and Peyton, page 321.)

"You browse through a single store's database, ordering as many things as you like with the O command." [Emphasis added.] (Bowen and

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Peyton, page 321.)

"Press R to continue browsing the store in which you just placed the order. You can place as many orders in the store as you want. When you are finished shopping in that store, type **checkout**. An electronic order form appears." (Ellsworth, page 376.)

Inherently, with each "O command" the terminal communication program sent a message to the CompuServe computers to add an item to a shopping cart.

said shopping cart computer being programmed to receive said plurality of shopping cart messages, to modify said shopping cart in said shopping cart database to reflect said plurality of requests to add said plurality of products to said shopping cart, and to cause a payment message associated with said shopping cart to be created; and

"You browse through a single store's database, ordering as many things as you like with the O command." [Emphasis added.] (Bowen and Peyton, page 321.)

"There are stopping places all along the way to make corrections to the ordering information and even to cancel the entire order. In other words, the O command *isn't* a final commitment, so a slip of the finger won't get you in trouble." (Bowen and Peyton, page 321.)

"Press R to continue browsing the store in which you just placed the order. You can place as many orders in the store as you want. When you are finished shopping in that store, type **checkout**. An electronic order form appears." (Ellsworth, page 376.)

said buyer computer being programmed to receive a request from said user to purchase said plurality of products added to said shopping cart and to cause said payment message to be activated to initiate a payment transaction for said plurality of products added to said shopping cart; "As you exit the store, you are taken to an order area (the electronic version of the checkout clerk with a cash register) where you are asked for information such as name, address, phone number, and your method of payment (which often is a credit card number but can vary depending on the merchant with which you are dealing)." (Bowen and Peyton, page 321.)

"During the order completion process, you are

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	asked to specify your name, address, phone number, payment method, and delivery method. Next, you see an order summary; you have the option of changing any of your order at this point. You can cancel the order at any time by typing <b>exit</b> at any prompt on the order form." (Ellsworth, page 376.)	
	The activation of the "payment message" in this instance is simply whatever message is sent to CompuServe computers from the buyer computer when the customer exits the store.	
	The "payment message" is the "order area" where the customer is asked for information including "method of payment."	
said shopping cart being a stored representation of a collection of products, said shopping cart database being a database of stored representations of collections of products, and said shopping cart computer being a computer that modifies said stored representations of collections of products in said database.	Whatever computer at the CompuServe computer center stores the customer's selections must inherently include a shopping cart database which, in turn, must store representations of some sort (a product number, for example).  "A database is any large collection of structured data stored in a computer system." Batini et al., infra.	
36. A network-based sales system in accordance with claim 34, wherein said buyer computer is programmed to receive a request from said user to display said plurality of products added to said shopping cart.	Anticipated in view of CompuServe: "During the order completion process, you are asked to specify your name, address, phone number, payment method, and delivery method. Next, you see an order summary; you have the option of changing any of your order at this point. You can cancel the order at any time by typing exit at any prompt on the order form." (Ellsworth, page 376.)  Finishing the order completion process sends the request to display the order summary.	
39. A method of operating a shopping cart computer in a computer network comprising at	Anticipated in view of CompuServe: "Currently, CompuServe can be accessed with	

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least one buyer computer for operation by a user desiring to buy products, at least one shopping cart computer, and a shopping cart database connected to said shopping cart computer, said method comprising the steps of: a local telephone call in more than 500 cities, meaning that about 85 percent of the U.S. population can log on directly. Hundreds more can reach the service through carrier networks like Tymnet, Telenet, DataPac, and others." (Bowen and Peyton, page 4.)

"In some cities, however, there is no local access number. Does this mean you're out of luck and will be forced to pay for long distance? Not necessarily. You may be able to find a supplemental network for that city—such as SprintNet, Telenet, or Tymnet—so you can connect with savings over long distance charges. You may also want to find out how to gain access to a PDN—Public Data Network." (Ellsworth, Appendix C.)

"Today CompuServe, Inc., still headquartered in Columbus, has broadened its scope from the days when it was recognized as a 'time-sharing' company....It employs more than 900 people, and its computer center houses some 40 Digital Equipment Corporation minicomputers." (Bowen and Payton, page 4.)

receiving, at said shopping cart computer, a plurality of shopping cart messages sent to said shopping cart computer by said buyer computer in response to receipt of a plurality of requests from a user to add a plurality of respective products to a shopping cart in said shopping cart database, each of said shopping cart messages comprising a product identifier identifying one of said plurality of products;

"If you want to order a product you have read about, simply enter O (that is, capital 'o', not a zero), and the system notes it." (Bowen and Peyton, page 321.)

"You browse through a single store's database, ordering as many things as you like with the O command." [Emphasis added.] (Bowen and Peyton, page 321.)

"Press R to continue browsing the store in which you just placed that order. You can place as many orders in the store as you want. When you are finished shopping in that store, type **checkout**. An electronic order form appears." (Ellsworth, page 376.)

With each "O command" the terminal communication program sent a message to the

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	CompuServe computers to add an item to a selection list. The shopping cart computer receives the messages.
modifying said shopping cart in said shopping cart database to reflect said plurality of requests to add said plurality of products to said shopping cart; and	It is inherent that requests to add products could only be stored in a database on the CompuServe servers.
	"A database is any large collection of structured data stored in a computer system." Batini et al., infra.
causing a payment message associated with said shopping cart to be created;	"As you exit the store, you are taken to an order area (the electronic version of the check-out clerk with a cash register) where you are asked for information such as name, address, phone number, and your method of payment (which often is a credit card number but can vary depending on the merchant with which you are dealing)." (Bowen and Peyton, page 321.)
	"During the order completion process, you are asked to specify your name, address, phone number, payment method, and delivery method. Next, you see an order summary; you have the option of changing any of your order at this point. You can cancel the order at any time by typing <b>exit</b> at any prompt on the order form." (Ellsworth, page 376.)
	The activation of the "payment message" in this instance is simply whatever message is sent to CompuServe computers from the buyer computer when the customer exits the store.
	The "payment message" is the "order area" where the customer is asked for information including "method of payment."
said buyer computer being programmed to receive a request from said user to purchase said plurality of products added to said shopping cart and to cause said payment	"A database is any large collection of structured data stored in a computer system." Batini et al., infra.

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message to be activated to initiate a payment transaction for said plurality of products added to said shopping cart; said shopping cart being a stored representation of a collection of products, said shopping cart database being a database of stored representations of collections of products, and said shopping cart computer being a computer that modifies said stored representations of collections of products in said database.	Whatever computer at the CompuServe computer center stores the customer's selections must include a shopping cart database which, in turn, must store representations of some sort (a product number, for example).  "A database is any large collection of structured data stored in a computer system." Batini et al., infra.
49. A network-based sales system in accordance with claim 34, wherein the buyer computer activates the payment message by transmitting a message to the shopping cart computer that causes the payment message to be activated.	Anticipated in view of CompuServe: "As you exit the store, you are taken to an order area (the electronic version of the check-out clerk with a cash register) where you are asked for information such as name, address, phone number, and your method of payment (which often is a credit card number but can vary depending on the merchant with which you are dealing)." (Bowen and Peyton, page 321.)  "During the order completion process, you are asked to specify your name, address, phone number, payment method, and delivery method. Next, you see an order summary; you have the option of changing any of your order at this point. You can cancel the order at any time by typing exit at any prompt on the order form." (Ellsworth, page 376.)  The activation of the "payment message" in this instance is simply whatever message is sent to CompuServe computers from the buyer computer when the customer exits the store.  The "payment message" is the "order area" where the customer is asked for information including "method of payment."
50. A network-based sales system in	Anticipated in view of CompuServe:

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accordance with claim 34, wherein the network is a public packet switched network.	"Currently, CompuServe can be accessed with a local telephone call in more than 500 cities, meaning that about 85 percent of the U.S. population can log on directly. Hundreds more can reach the service through carrier networks like Tymnet, Telenet, DataPac, and others." (Bowen and Peyton, page 4.)
	"In some cities, however, there is no local access number. Does this mean you're out of luck and will be forced to pay for long distance? Not necessarily. You may be able to find a supplemental network for that city—such as SprintNet, Telenet, or Tymnet—so you can connect with savings over long distance charges. You may also want to find out how to gain access to a PDN—Public Data Network." (Ellsworth, Appendix C.)
51. A network-based sales system in accordance with claim 34, wherein the network is an Internet.	Obvious in view of CompuServe and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and Authentication) 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet" (Sams, April, 1994).
60. A network-based sales system in accordance with claim 34, wherein at least one of the requests comprises a shopping cart URL.	Obvious in view of CompuServe and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and Authentication) 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet" (Sams, April, 1994).
	Inherently, every request from a browser to a server includes a URL.
61. A network-based sales system in accordance with claim 60, wherein the shopping cart URL comprises a domain	Obvious in view of CompuServe and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and

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identifier.	Authentication) 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet" (Sams, April, 1994).  Every URL inherently includes a domain
	name.
62. A network-based sales system in accordance with claim 60, wherein the shopping cart URL comprises a merchant identifier.	Obvious in view of CompuServe and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and Authentication) 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet" (Sams, April, 1994).
	Every URL inherently includes a merchant (domain) name.
74. A network-based sales system in accordance with claim 34, wherein the buyer computer activates the payment message by transmitting a message to the shopping cart computer that causes the payment message to be activated;	Anticipated by CompuServe: "After you indicate that your order is correct and complete, you automatically receive a confirmation number. Use this number if you need to inquire about the order." (Ellsworth, page 376.)
wherein the shopping cart computer transmits a payment confirmation document to the buyer computer.	
84. A network-based sales system in accordance with claim 34, wherein the shopping cart computer in response to the plurality of shopping cart messages, causes an account name and password request message to be transmitted to the buyer computer.	Anticipated by CompuServe: Credit Card payment was permitted. The name and credit card number are equivalent to an account name and password. (Bowen and Peyton, page 321 and Ellsworth, page 377.)
109. The method of claim 39, wherein the buyer computer activates the payment message by transmitting a message to the shopping cart computer that causes the payment message to	"As you exit the store, you are taken to an order area (the electronic version of the check-out clerk with a cash register) where you are asked for information such as name, address,

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be activated.	phone number, and your method of payment (which often is a credit card number but can vary depending on the merchant with which you are dealing)." (Bowen and Peyton, page 321.)
	"During the order completion process, you are asked to specify your name, address, phone number, payment method, and delivery method. Next, you see an order summary; you have the option of changing any of your order at this point. You can cancel the order at any time by typing <b>exit</b> at any prompt on the order form." (Ellsworth, page 376.)
	The activation of the "payment message" in this instance is simply whatever message is sent to CompuServe computers from the buyer computer when the customer exits the store.
	The "payment message" is the "order area" where the customer is asked for information including "method of payment."
110. The method of claim 39, wherein the network is a public packet switched network.	See, claim 50.
111. The method of claim 39, wherein the network is an Internet.	Obvious in view of CompuServe and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and Authentication, 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet" (Sams, April, 1994).
120. The method of claim 39, wherein at least one of the requests comprises a shopping cart URL	Obvious in view of CompuServe and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and Authentication, 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet" (Sams, April,

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	1994).
	Inherently, every request from a browser to a server includes a URL.
121. The method of claim 120, wherein the shopping cart URL comprises a domain identifier.	Obvious in view of CompuServe and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and Authentication, 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet" (Sams, April, 1994.)  Every URL inherently includes a domain identifier.
122. The method of claim 120, wherein the shopping cart URL comprises a merchant identifier.	Obvious in view of CompuServe and the World Wide Web (See, NCSA Mosaic (Forms) and NCSA HTTPd (CGI and Authentication, 1993) as disclosed in Gifford U.S. Patent No. 5,724,424 or "Using Mosaic" (Que Corporation, October, 1994) or "Navigating the Internet" (Sams, April, 1994).  Every URL inherently includes a merchant (domain) identifier.
134. The method of claim 39, wherein the buyer computer activates the payment message by transmitting a message to the shopping cart computer that causes the payment message to be activated;	Anticipated by CompuServe: "After you indicate that your order is correct and complete, you automatically receive a confirmation number. Use this number if you need to inquire about the order." (Ellsworth, page 376.)
wherein the shopping cart computer transmits a payment confirmation document to the buyer computer.	·
144. The method of claim 39, wherein the shopping cart computer, in response to the	Anticipated by CompuServe: Credit Card payment was permitted. The name and credit

U.S. Patent No. 5,715,314	
plurality of shopping cart messages, causes an account name and password request message to be transmitted to the buyer computer.	card number are equivalent to an account name and password. (Bowen and Peyton, page 321 and Ellsworth, page 377.)

Soverain may argue that a special meaning must be given to the term "database." One definition of a database is "A database is any large collection of structured data stored in a computer system. Database management systems (DBMS) are software packages for managing databases—particularly for storing, manipulating, and retrieving data on a computer system." Batini, Ceri, Navathe "Conceptual Database Design," The Benjamin/Cummings Publishing Company, Inc., page 4 (1992).